

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING

(September 1, 2016)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Port of San Francisco at Pier 1, San Francisco, CA.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:03 p.m.

2. ROLL CALL

Chair Breckenridge welcomed WETA Directors, staff and guests to the meeting. Other Directors present were Vice Chair James Wunderman, Director Timothy Donovan and Director Anthony Intintoli.

3. REPORT OF BOARD CHAIR

Chair Breckenridge reported that earlier in the day she and several WETA staff members had attended the San Francisco Regional Port Reopening Tabletop exercise focused on the process to reopen San Francisco Bay Area ports following a catastrophic event. She said a bright focus of the discussions was ferries' roles in disaster recovery which was a positive development, and likely a direct result of people receiving and reading the WETA Emergency Response Plan (ERP). She said those in attendance who had not yet received and read the ERP said they would look for it, and added that participants including the Port of San Francisco and U.S. Coast Guard staff said they were interested in pursuing an exercise based on a ferry mass evacuation.

Chair Breckenridge said she had also recently attended the Bay Area Council (BAC) Water Transit Subcommittee where she had seen a presentation from the State of California (State) about cap and trade funds for ferries and other transportation projects. She said that as a result, she and Vice Chair Wunderman would be working together to further opportunity conversations on the topic as related to ferries with State staff. She said she was also having discussions with an organization that was working on a study for a hydrogen cell ferry in the Bay Area and said Sandia National Laboratories, Red & White Fleet, MARAD, the United States Coast Guard (USCG), and the State were all involved in the promising project. Chair Breckenridge said that part of the working group was presently in London at the International Maritime Organization, an arm of the United Nations (UN) and noted that the special shore side facilities that would be required to support such a vessel would require the UN's approval.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman reported that August 31 had been the last day of the State Legislature regular session. He thanked Executive Director Nina Rannells and Manager of Planning and Development Kevin Connolly for meeting at the BAC to discuss water transportation. He said there was great promise with State partners to further discussions on clean vessel propulsion technologies and added that the Legislature had increased the percentage of funds to support emissions reduction by 5 percent.

Vice Chair Wunderman said that the recent news of New York City Mayor de Blasio committing more than \$300 million to water transportation was remarkable. He said Hornblower Cruises & Events won the contract to provide the service and is expected to add 19 new, 149-passenger, 25-knot catamarans at a cost of \$4 million each to provide transportation to all five New York boroughs. He said 10 new facilities to support the new service were also being constructed and that service was expected to be up and

running within a year with full service and vessel use in just two years. He added that while New York does not have the burden of the Bay Conservation & Development Commission (BCDC) as we did in the San Francisco Bay Area, New York still had permitting and environmental consideration hurdles to clear. He further noted that the bulk of the funding for the project, which would primarily be used for operations to subsidize the flat \$2.75 ticket for all routes, was being provided by the New York Economic Development Corporation. Vice Chair Wunderman said that WETA should follow the project and that there may be an opportunity to partner with New York in seeking federal funding to support expansion.

Mr. Connolly said that the Citywide Ferry Service planning in New York had been underway since 2012 or 2013 and that the environmental, permitting, and outreach work which had taken several years was completed back in 2015. Mr. Connolly explained that the two year ramp up announcement was possible because of these prior years of fundamental work required for the project.

Vice Chair Wunderman apologized that he would need to depart the meeting at 2:30 p.m. because the BAC was hosting Senator Barbara Boxer on her farewell tour. He said he planned to discuss water transportation with her to see if there was any help she might be able to offer as support during her last few months in the Senate.

5. REPORTS OF STAFF

Executive Director Nina Rannells welcomed Directors to the meeting, referred them to her written report, and offered to answer any questions. She said she was pleased to report that the MV *Gemini* had received its Certificate of Inspection that afternoon after just being refurbished and having its passenger capacity increased from 149 to 225 which would allow it to be effectively utilized across multiple routes. She said the vessel was expected to be back in service on the water that afternoon and that staff was in process of soliciting bids for the same work for the MV *Pisces*.

Ms. Rannells extended an invitation to all to attend the September 15 groundbreaking and dedication ceremony for WETA's new Ron Cowan Central Bay Operations and Maintenance Facility at Alameda Point from 1:30 to 4:30 p.m.

Chair Breckenridge referred the Directors to a letter from Berkeley Mayor Tom Bates thanking WETA for the inclusion of Berkeley in its Draft Strategic Plan and expressing interest in bringing ferry service to Berkeley. She asked that the Directors read through the letter to prepare them for a discussion about the topic at a future meeting.

Ms. Rannells explained that while California Assembly Bill AB2903 did not pass to reorganize the California Public Utilities Commission it was expected that conversations related to such a reorganization process would continue and that WETA would look to comment on such a change.

Director Donovan asked if there would be any kind of survey done to garner feedback about the changes riders experience in riding the MV *Gemini* and *Pisces*. Mr. Connolly said a new rider survey was planned for 2017.

PUBLIC COMMENT

President of Blue & Gold Fleet Carolyn Horgan said the vessel crews could ask passengers how they liked the upgrades on the two vessels and share that information with the WETA staff.

6. CONSENT CALENDAR

Chair Breckenridge asked if the Directors had any questions or items for discussion on the Consent Calendar. Director Intintoli said he was very pleased to see that the South San Francisco route reflected positive farebox revenue increases.

Director Intintoli made a motion to approve the Consent Calendar which included:

- a. Board Meeting Minutes – August 4, 2016
- b. Approve the Award of a Sole Source Contract with Valley Power Systems North, Inc. for Main Engine Overhauls on the Vessels *Pisces* and *Scorpio*
- c. Approve Changes to Diversity Program for Contracts and Submittal of the Revised Program to the U.S. Department of Transportation
- d. Approve Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) Goals for FFY 2017 through FFY 2019
- e. Status Report on South San Francisco Ferry Service Performance

Director Donovan seconded the motion and the Consent Calendar carried unanimously.

Chair Breckenridge asked if there were any questions or comments from meeting attendees and there were none.

Yeas: Breckenridge, Donovan, Intintoli, Wunderman. Nays: None. Absent: DelBono.

Chair Breckenridge said that because the Directors would be going into a closed session she was moving the Public Comment period not related to specific agenda items to this place in the meeting. There were no public comments shared on non-agenda items.

7. RECESS INTO CLOSED SESSION

Chair Breckenridge called the meeting into closed session at 1:23 p.m.

- a. CONFERENCE WITH LEGAL CONSEL – ANTICIPATED LITIGATION
- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

8. REPORT OF ACTIVITY IN CLOSED SESSION

Upon reopening of the meeting at 1:59 p.m. Chair Breckenridge reported that no action had been taken.

9. APPROVE CONTRACT AWARD TO DAKOTA CREEK INDUSTRIES, INC. FOR CONSTRUCTION OF THREE NEW 445-PASSENGER, 34-KNOT FERRIES

Manager of Operations Keith Stahnke presented this item to approve the following related actions for the contract award for construction of three North Bay passenger ferries:

1. Approve contract award to Dakota Creek Industries, Inc. for the construction of three new high-speed ferries in an amount not to exceed \$62,089,000 and authorize the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work; and
2. Authorize a budget increase to the FY 2016/17 Capital Budget in the amount of \$7,065,000 to support full funding of this project.

Mr. Stahnke explained that the selection of the recommended design/build/deliver Contractor had been made using a two-step sealed Request for Proposals (RFP) process in accordance with WETA's Administrative Code and Federal Transit Administration procurement requirements. He said that this Best Value procurement process considered both price and qualitative components of proposals deemed the most advantageous and of the greatest value to WETA.

Mr. Stahnke explained that following Vigor Kvichak's submission of its Step 2 proposal, Vigor Kvichak notified WETA that it may submit a bid protest if the Board awarded the contract to Dakota Creek Industries. He said Vigor Kvichak stated that Aurora Marine Design's participation on Dakota Creek Industry's team could result in an organizational conflict of interest because Aurora Marine Design performs certain consulting work for WETA. He said that Vigor Kvichak did not submit a formal bid

protest but nonetheless, WETA investigated the potential organizational conflict of interest and based on information obtained to date, concluded that Aurora Marine Design's participation on Dakota Creek Industry's team did not create an organizational conflict.

Mr. Stahnke introduced WETA contractor for the Construction Management Services of the vessels, Martin Robbins, as well as Dakota Creek Industries Program Manager Hollie Anthonyz who were both in attendance at the meeting. Ms. Rannells said she, Mr. Stahnke and Mr. Robbins had recently visited the shipyard and were impressed with the Dakota Creek Industries facility and its capabilities.

PUBLIC COMMENT

Berkeley resident Bruce Lockey said that staff should have a look at the Vancouver Metro SeaBus because it was also a great ferry system. He also suggested that WETA publish a master schedule for all of the ferries operating on the San Francisco Bay. He thanked WETA staff and Directors for their work and for allowing him to address the Board.

Vice Chair Wunderman made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

Yeas: Breckenridge, Donovan, Intintoli, Wunderman. Nays: None. Absent: DelBono.

10. APPROVE CONTRACT AWARD TO GHIRARDELLI ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE RICHMOND FERRY TERMINAL PROJECT

Senior Planner Mike Gougherty presented this item to approve contract award for construction management services for the Richmond Ferry Terminal project to Ghirardelli Associates, Inc. in an amount up to \$900,000 and authorize the Executive Director to negotiate and execute the contract and take any other required actions to support this work.

Vice Chair Wunderman asked how much was the budget for the construction of the Richmond Terminal and Mr. Connolly said it was approximately \$18 million. Mr. Wunderman asked if 5 percent for a construction management contract was standard. Mr. Gougherty said the \$900,000 figure was below the standard for construction management on similar projects and said it was based primarily on WETA's historically lower percentages for such contracts.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

Yeas: Breckenridge, Donovan, Intintoli, Wunderman. Nays: None. Absent: DelBono.

11. DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT UPDATE

Mr. Gougherty presented this informational item and explained that the Downtown San Francisco Ferry Terminal Expansion (DFTX) project was being developed by WETA to expand and improve facilities at the existing ferry terminal in downtown San Francisco. He explained that the project would include construction of two new ferry gates (F and G), landside pedestrian circulation improvements, installation of amenities such as weather-protected areas for passenger queuing, and covering of the current "lagoon" area south of the Ferry Building to enhance WETA's emergency response capabilities.

Mr. Gougherty said the project had been in planning and development since 2010 and design efforts had been ongoing for the last two years and had included addressing projected sea level rise over the next 50 years with 100 years of adaptive mitigation measures. He further explained that other design

challenges addressed had included accessibility for the myriad users of the area other than WETA ferry riders such as visitors to the Ferry Building Marketplace, general recreation, other transit services users, and Farmer's Market participants. Mr. Gougherty said that the planned improvements would mitigate seismic activity disruption and help assure that the facilities remain operational after an earthquake.

Mr. Gougherty said that staff had developed a plan that would allow WETA to start construction of the project next year and open the new facilities for use by late 2019. He presented a slideshow with further details on the project, including a net zero energy use objective that incorporated photovoltaic panels into the weather protection canopy. Mr. Gougherty said more than half of the permits required for the project had already been secured and noted that the project's most challenging mitigation requirement was a work window of June 1 through November 30 for the waterside construction to mitigate disruption to threatened or endangered species in the construction areas. He said that to meet the project schedule, dredging, partial demolition, and some pile driving work would need to begin in the 2017 work window. Mr. Gougherty explained that the objective was to have about half of the 200-300 piles driven by the close of the work window in 2017 and noted that this would help assure that Gate E could be taken offline without disrupting daily service operations while the balance of the project's construction was completed.

Chair Breckenridge asked how much staff time was going to be involved in managing this project and Mr. Connolly said that in the Planning Department alone he anticipated that it would require a full time employee's attention. Mr. Gougherty said that this project was going to require considerable staff work, as well as a lot of attention from the Board.

12. APPROVE CONTRACT AWARD TO CH2M HILL ENGINEERS FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT

Mr. Gougherty presented this item to approve contract award for construction management services for the DFTX project to CH2M Hill Engineers (CH2M) in an amount up to \$3,300,000. He explained that on April 7, 2016, the Board authorized release of a RFP to provide construction management services for the project and it was released and circulated to over 400 firms on the WETA technical consultant list and posted to the agency website consistent with the WETA Administrative Code. He said the RFP was also advertised in the Business Outreach Committee quarterly newsletter and a total of six proposals had been received. Mr. Gougherty said that five of those offerors were interviewed, and CH2M had been identified as the strongest of the five by the scoring panel.

Mr. Gougherty said that in particular, the panel had rated CH2M highest based on their qualifications and previous experience providing construction management services for similarly complex marine construction projects. He added that CH2M had strong knowledge and familiarity with the Construction Manager at Risk (CMAR) project delivery process and they would serve as WETA's "Owner's Representative," providing oversight and support during the CMAR selection process, early construction work, finalization of project design work and permitting, negotiation of a guaranteed maximum price for construction, and full construction management and closeout of the project.

Mr. Gougherty said that this contract would be managed on a task order basis during the course of project development, procurement and construction, and consultant billing would be based upon the time spent by the consultant's employees to perform the work as well as for materials used during the process.

Director Donovan made a motion to approve the item.

Director Intintoli seconded the motion and the item carried unanimously.

Yeas: Breckenridge, Donovan, Intintoli. Nays: None. Absent: DelBono, Wunderman.

13. APPROVE AGREEMENT WITH CALIFORNIA STATE COASTAL CONSERVANCY TO PROVIDE ENVIRONMENTAL MITIGATION FOR DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION AND RICHMOND FERRY TERMINAL PROJECTS

Mr. Gougherty presented this item to authorize the Executive Director to execute an agreement in an amount not to exceed \$1,330,000 with the California State Coastal Conservancy (CSCC) to provide environmental mitigation for the DFTX and Richmond Ferry Terminal projects. He explained that in order to secure authorization from the National Marine Fisheries Service and BCDC to construct the DFTX and the Richmond Ferry Terminal projects, WETA was required to provide .74 acres of fill removal in San Francisco Bay to mitigate potential environmental impacts under Section 7 of the Endangered Species Act and Essential Fish Habitat provisions of the Magnuson Stevens Fishery Conservation and Management Act.

Mr. Gougherty said that in July 2016, WETA approached the CSCC, a non-regulatory state agency that supports projects to protect coastal resources, to inquire about potential opportunities to fund projects to remove fill in San Francisco Bay. He said that the CSCC indicated that funding was still needed for a project to remove nearly two acres of fill near the Terminal Four site in Richmond at the northwestern tip of Point San Pablo and that .74 acres could be removed on WETA's behalf at a cost of \$1,330,000 (.65 acres for DFTX for \$1,155,000 and .09 acres for Richmond for \$175,000).

Mr. Gougherty explained that in general, few opportunities existed along San Francisco Bay to remove fill, and the few opportunities that did exist were in high demand by project sponsors seeking to fulfill environmental mitigation requirements. He said that WETA's environmental consultants had reviewed the proposal by the CSCC and determined that the cost was fair and reasonable. He said that WETA had also confirmed with NMFS and BCDC that this arrangement would satisfy their mitigation requirements for both the DFTX and Richmond Ferry Terminal projects.

Director Intintoli made a motion to approve the item.

Director Donovan seconded the motion and the item carried unanimously.

Yeas: Breckenridge, Donovan, Intintoli. Nays: None. Absent: DelBono, Wunderman.

14. ADOPTION OF THE FINAL 2016 WETA STRATEGIC PLAN

Mr. Connolly presented this item to adopt the final 2016 WETA Strategic Plan (Plan) which had been in development since March 2015. He said the Board had participated in two workshops in 2015 to support development of the Plan that had been shared with stakeholders, future potential partners, as well as the public in numerous outreach efforts. Mr. Connolly said that the Plan had also received the focus and work of a group created by Chair Breckenridge in 2016 which had also revised the WETA Mission and Vision statements. Mr. Connolly said that the current revision of the Plan presented a 20 year expanded vision that included 44 vessels and 16 terminals to carry 16 million passengers annually.

Mr. Connolly shared a slideshow with the Board and explained that the revised Plan presented a more positive and expanded vision for the next 20 years than the prior Plan had allowed. He said that the revised Plan included a stronger commitment to greener technology vessels as possible in the future as well as an enhanced emergency response component that focused on economic recovery.

Director Donovan said the revised document's plans were very exciting, and he thanked Mr. Connolly for the presentation and for his efforts in the working group meetings.

Chair Breckenridge said she was pleased with the transformation of the document and thanked Vice Chair Wunderman and Director Donovan for participating in the most recent working group, as well as WETA staff for their work on the final revision. She said that Vice Chair Wunderman had also asked her to send along his appreciation for staff's work and diligence on the document.

Director Intintoli said he thought the Plan was excellent, and he remained concerned about how WETA would be able to find and secure the \$844 million expressed in 2016 dollars for the capital funding that would be required to execute its vision. He said it was one thing to talk about what one wants and another thing entirely to pay for it. He said his hope was that funding strategies would be as earnestly pursued as expansion inclusions and that operational funding must be sought from Regional Measure 3. He cautioned that all future funding was going to require enormous and tenacious efforts which would be both political and competitive.

Chair Breckenridge said that because the Board had just received the document that week, she would like to hold off on its adoption until the October Board meeting after Directors had the time to give the proposed final revisions their due diligence. The Directors agreed, and Director Donovan said that doing so would also allow Vice Chair Wunderman and Director DelBono, who were absent for the item, the ability to share their feedback and have their votes included in the Plan adoption.

15. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

Veronica Sanchez of Masters, Mates & Pilots (MM&P) thanked the Board and staff for the effort put forth on the Plan. She said all of the vessels and terminals meant there would be lots of jobs for MM&P members. Ms. Sanchez said she was excited about the employment potential for future operations crews, as well as the possibility on the capital side that WETA will employ MM&P members in the tugboat work required to build out all of the new facilities that were laid out in the Plan. Ms. Sanchez suggested that the information about partnerships in the Plan be modified to include labor organizations, business, environmental agencies, and community groups in an advocacy capacity, especially with regard to funding pursuits.

Chair Breckenridge said advocacy partnerships were a fundamental component of the process and that none of the implementation plans would happen without them. She said being more specific about that under the objectives section of the Plan could help make that more explicit. Ms. Sanchez suggested adding the word advocate to the section in the Plan regarding identifying new sources of stable operating funding for future services.

Chair Breckenridge thanked Ms. Sanchez for her comments. She commended the WETA staff for their work and thanked Program Manager/Analyst Lauren Gularte for her work on the Disadvantaged Business Enterprise, Small Business and Contracts Diversity Program documents the Board had adopted in the Consent Calendar.

All business having been concluded, the meeting was adjourned at 3:16 p.m.

Respectfully Submitted,
Board Secretary